

Message Text

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ORIGIN AGRE-00

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 EB-08 AID-05
CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00
SP-02 STR-04 TRSE-00 LAB-04 SIL-01 OMB-01 L-03
/069 R

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USDA/OGSM/CWPENCE
EB/OFJ/FFD/STJOHNSON
NEA/EGY/CAKENNEDY
EUR/RPE/JPMCLEAR
AID/FFP/FRD/LTANNER
EB/OFJ/FFD/RMOGDEN
-----222032Z 043747 /43

P 221950Z MAR 77
FM SECSTATE WASHDC
TO USMISSION EC BRUSSELS PRIORITY
AMEMBASSY CAIRO PRIORITY
INFO AMEMBASSY CANBERRA PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY OTTAWA PRIORITY

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E.O. 11652:N/A

TAGS: EAID, EAGR

SUBJECT: EGYPTIAN WHEAT NEEDS FOR L977 AND POSSIBLE LOWER
UMR

REFS: (A) EEC BRUSSELS 2000 (B) CAIRO 3730 (C) STATE 003116
(D) CAIRO 2503 (E) EEC BRUSSELS 1014 (F) STATE 21288
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(G) CAIRO 1061 (H) EEC BRUSSELS 1370

1. AVAILABLE DATA AND REF B INDICATE THAT IN US FISCAL
YEAR 1977 (OCT. 1, 1976 THROUGH SEPT. 30, 1977) EGYPTIAN
IMPORT REQUIREMENT FOR WHEAT/WHEAT FLOUR COVERED BY
2.4 MILLION MT COMMERCIAL IMPORTS AND 1.6 MILLION MT FOOD
AID FOR TOTAL 4.0 MILLION MT AND CALENDAR YEAR 1977 IMPORT

REQUIREMENTS FOR WHEAT/WHEAT FLOUR COVERED BY 2.5 MILLION
MT COMMERCIAL IMPORTS AND 1.6 MILLION MT FOOD AID FOR
TOTAL 4.1 MILLION. IMPORTS IN METRIC TONS BY COUNTRY
(FROM VARIOUS SOURCES OF DATA) ARE AS FOLLOWS:

EST. ARRIVALS DURING	EST. ARRIVALS
PERIOD OF OCTOBER 1,	DURING PERIOD OF
1976 TO SEPTEMBER 30,	JANUARY 1 - DECEMBER
1977	31, 1977

A. COMMERCIAL:

A. COMMERCIAL:

(1)

WHEAT:

AUSTRALIA	1,080,000	1,250,000
CANADA	550,000	500,000
EEC	250,000	250,000
USA	80,000	50,000
TOTAL	1,960,000	2,050,000

(2)

WHEAT	WHEAT	WHEAT	WHEAT	WHEAT
FLOUR	FLOUR	EQUIVALENT	FLOUR	EQUIVALENT

FRANCE	300,000	400,000	-	400,000
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ITALY	22,500	30,000	-	30,000
EUROPE	22,000	29,333	-	29,333
TOTAL	344,500	459,333	-	459,333

(3)

SUBTOTAL	-	2,419,333	-	2,509,333
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B. CONCESSIONAL:

(1) WHEAT:

CANADA	55,000	50,000
USA	1,400,000	1,200,000
EEC	100,000	250,000
TOTAL	1,555,000	1,500,000

(2)

WHEAT	WHEAT	WHEAT	WHEAT	WHEAT
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	FLOUR	FLOUR	EQUIVALENT	FLOUR	EQUIVALENT
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FRANCE	21,600	28,800	-	28,800
ITALY	10,600	14,133	-	14,133
EEC	16,280	21,707	-	21,707
TOTAL	48,480	64,640	-	64,640

(3)	"			
SUBTOTAL		1,619,640	1,564,640	

C. GRAND TOTAL		4,038,973	4,073,973	
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2. THE ABOVE DATA SHOW EGYPT'S WHEAT/WHEAT FLOUR IMPORT REQUIREMENTS HAVE BEEN NEARLY COVERED FOR U.S. FY 1977. EGYPT HAS ALREADY CONTRACTED FOR 2.6 MILLION METRIC TONS OF COMMERCIAL WHEAT AND WHEAT FLOUR (OF WHICH 2.4 MILLION EXPECTED TO ARRIVE BY SEPT 30) AND HAS RECEIVED FOOD AID LIMITED OFFICIAL USE

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COMMITMENTS FOR THE BALANCE OF ITS FY 1977 NEEDS WITH CONCESSIONAL SUPPLIES. ANY ATTEMPT TO REDUCE THE FY 1977 UMR WOULD APPEAR FUTILE. LITTLE WOULD BE GAINED (AS DEMONSTRATED BY EEC RESPONSE) BY ANY ATTEMPT TO LOWER THIS YEAR'S UMR WHICH HAS ALREADY BEEN VIRTUALLY COVERED. HOWEVER, ABOVE DATA AND REF B INDICATE THERE WOULD BE ROOM FOR EGYPT TO IMPORT CONCESSIONALLY AN ADDITIONAL 150,000 METRIC TONS OF WHEAT DURING THE FOURTH QUARTER OF CALENDAR YEAR 1977.

WE BELIEVE THAT THE EGYPTIAN GOVERNMENT CAN BUILD A GOOD CASE FOR SEEKING A ONE YEAR REDUCTION IN THE FISCAL YEAR 1978 WHEAT/WHEAT FLOUR UMR ON EXTRAORDINARY ECONOMIC AND FINANCIAL GROUNDS AS NOTED PARA 5 REF B AND PARA 4 REF A. THIS CAN BE JUSTIFIED AND SUPPORTED BY THE RECENT WORLD BANK REPORT AND THE RESULTING PROBLEMS DEMONSTRATED BY THE RECENT RIOTS CAUSED BY THE GOE ATTEMPT TO IMPLEMENT THE REFORMS. THUS THE GOE'S FORMAL APPEAL TO THE EEC WOULD RECEIVE, WHEN REQUESTED BY EEC, FULL U.S. SUPPORT FOR REDUCTION IN THE UMR TO AS LOW AS 1.6 MILLION METRIC TONS. IT SHOULD BE POINTED OUT THAT THIS WOULD OF COURSE PROVIDE OPPORTUNITY FOR EEC TO INCREASE CONCESSIONAL WHEAT/WHEAT FLOUR TO BE SUPPLIED DURING FISCAL YEAR 1978. ALSO WE SEE THAT THERE IS ROOM FOR EEC TO SUPPLY UP TO 150,000 METRIC TONS OF CONCESSIONAL WHEAT TO EGYPT DURING THE FOURTH QUARTER CALENDAR YEAR 1977.

3. WE SEE NO NEED TO SUBMIT GOE REQUEST FOR REDUCED UMR IN FY 1978 TO CSD, WHICH IN TURN, WOULD SIMPLY ADVISE THAT THERE WOULD BE LITTLE OR NO BASIS FOR THEM TO CONSIDER SUCH ACTION. HOWEVER, WE WOULD LOOK TO EEC, IN THIS CASE, TO

SEEK INTENTIONS/ADVICE OF OTHER SUPPLIER NATIONS (IN PARTICULAR, CANADA, AUSTRALIA AND USA) ON THE EGYPTIAN REQUEST FOR A LOWER UMR. ALSO, WE BELIEVE THIS MATTER SHOULD BE REVIEWED EACH YEAR BY THE PRINCIPAL SUPPLIERS, UPON RECEIPT OF FORMAL REQUEST BY THE GOVERNMENT OF LIMITED OFFICIAL USE

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EGYPT.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, FOREIGN ASSISTANCE, FOOD ASSISTANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE063355
Document Source: CORE
Document Unique ID: 00
Drafter: OGSM/HNORTON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770098-0546
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770334/aaaabdhb.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 43dd34b4-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Retention: 0
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